News

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NEW ENGLAND PRODUCTION WORKER PAY INCREASES 2.6 PERCENT IN 2000

Hourly earnings of production workers on New England's manufacturing payrolls averaged \$14.58 in 2000, up from \$14.21 in the previous year, according to the U.S. Department of Labor's Bureau of Labor Statistics. Nationally, average hourly earnings stood at \$14.38 in 2000, up from \$13.91 a year earlier. Regional Commissioner Denis M. McSweeney stated that 2000 marked the thirteenth consecutive year that New England factory worker wages exceeded the national average.

Factory worker earnings in New England grew at a 2.6 percent pace, well below the 3.3 rate of increase in 1999. New England's slower rate of pay growth for production workers was reflected in its individual states, with each recording smaller pay increases than in the previous year. Nationally, factory pay increased at a stronger pace, averaging 3.4 percent. Both regional and national pay gains were below the 3.5 rate of inflation in the U.S. as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Within New England, Vermont had the highest percentage increase in pay at 4.2 percent, the only state of the six to exceed the national rate of gain. Factory pay in Massachusetts increased 2.9 percent over the year. Connecticut (2.3 percent) and Maine (2.4 percent) recorded nearly identical pay gains in 2000; so did New Hampshire and Rhode Island, at 1.8 and 1.7 percent, respectively.

Among the six New England states, the hourly rate of pay was highest in Connecticut at \$15.69, followed by Massachusetts at \$14.65. Conversely, the hourly rate of pay was lowest in Rhode Island at \$12.18 or about 15 percent below the nationwide average of \$14.38. Rhode Island's factory workers have been the lowest paid in New England since 1976. Hourly earnings were roughly equal to the national average in Maine (\$14.28) and Vermont (\$14.23), but below average in New Hampshire (\$13.41).

Table 1. Average hourly earnings of production workers on manufacturing payrolls, U.S., New England, and States, 1982-2000 annual averages

Year	US	NE	CT	ME	MA	NH	RI	VT
1982	\$8.49	\$7.61	\$8.23	\$7.22	\$7.58	\$6.94	\$6.61	\$7.35
1983	8.83	8.06	8.76	7.61	8.01	7.42	6.92	7.66
1984	9.19	8.52	9.22	8.05	8.50	7.86	7.33	8.03
1985	9.54	8.93	9.57	8.40	9.00	8.39	7.59	8.41
1986	9.73	9.27	10.07	8.65	9.24	8.77	7.90	8.83
1987	9.91	9.70	10.46	8.77	9.77	9.29	8.20	9.12
1988	10.19	10.21	10.78	9.31	10.40	9.97	8.64	9.47
1989	10.48	10.67	11.21	9.92	10.87	10.37	9.06	9.99
1990	10.83	11.13	11.53	10.59	11.39	10.83	9.45	10.52
1991	11.18	11.53	11.99	11.08	11.81	10.84	9.73	11.00
1992	11.46	11.89	12.46	11.40	12.15	11.22	9.92	11.52
1993	11.74	12.23	13.01	11.63	12.36	11.62	10.20	12.09
1994	12.07	12.51	13.53	11.91	12.59	11.74	10.35	11.96
1995	12.37	12.74	13.71	12.39	12.79	11.94	10.62	12.21
1996	12.77	13.01	14.01	12.71	13.05	12.23	10.95	12.42
1997	13.17	13.40	14.46	13.12	13.42	12.55	11.31	12.70
1998	13.49	13.76	14.83	13.49	13.80	12.79	11.61	13.03
1999	13.91	14.21	15.33	13.94	14.24	13.17	11.98	13.65
2000	14.38	14.58	15.69	14.28	14.65	13.41	12.18	14.23

Note: New England average hourly earnings are derived using State payroll estimates weighted by all employees and average weekly hours of production workers in manufacturing.

Table 2. Over-the-year percent change in average hourly earnings of production workers for U.S., New England, and States, 1983-2000 annual averages

Year ended	US	NE	CT	ME	MA	NH	RI	VT
1983	4.0	5.9	6.4	5.4	5.7	6.9	4.7	4.2
1984	4.1	5.7	5.3	5.8	6.1	5.9	5.9	4.8
1985	3.8	4.8	3.8	4.3	5.9	6.7	3.5	4.7
1986	2.0	3.8	5.2	3.0	2.7	4.5	4.1	5.0
1987	1.8	4.6	3.9	1.4	5.7	5.9	3.8	3.3
1988	2.8	5.3	3.1	6.2	6.4	7.3	5.4	3.8
1989	2.8	4.5	4.0	6.6	4.5	4.0	4.9	5.5
1990	3.3	4.3	2.9	6.8	4.8	4.4	4.3	5.3
1991	3.2	3.6	4.0	4.6	3.7	0.1	3.0	4.6
1992	2.5	3.1	3.9	2.9	2.9	3.5	2.0	4.7
1993	2.4	2.9	4.4	2.0	1.7	3.6	2.8	4.9
1994	2.8	2.3	4.0	2.4	1.9	1.0	1.5	-1.1
1995	2.5	1.8	1.3	4.0	1.6	1.7	2.6	2.1
1996	3.2	2.1	2.2	2.6	2.0	2.4	3.1	1.7
1997	3.1	3.0	3.2	3.2	2.8	2.6	3.3	2.3
1998	2.4	2.7	2.6	2.8	2.8	1.9	2.7	2.6
1999	3.1	3.3	3.4	3.3	3.2	3.0	3.2	4.8
2000	3.4	2.6	2.3	2.4	2.9	1.8	1.7	4.2

Note: New England and State estimates are projected from March 2000 benchmark levels. Annual averages for 2000 are subject to revision.

Technical Note: Average hours and earnings are derived from payroll reports for production workers in manufacturing industries. The survey covers both full- and part-time workers and includes any premium pay for overtime or late-shift work and changes in output of workers paid on an incentive plan.